

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Point Arena Water Works, Inc. for an order authorizing a rate increase in rates subject to refund producing additional annual revenues of \$70,137 or 56.9% for the test year 2002.

Application 02-11-057
(Filed November 25, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING PREHEARING CONFERENCE**

Background

On October 25, 2001, the Commission issued Resolution (Res.) W-4308 in which it granted Point Arena Water Works (PAWW) an interim rate increase that resulted in increased revenue of \$47,677 or 62.3%. The City of Point Arena (City) filed an application for rehearing of that Resolution, alleging that the Commission erred in not allowing the City a 30-day comment period on the draft Resolution. The City contended that it had filed a protest to PAWW's request and was thus a party to the proceeding with a right to comment on the draft Resolution. In Decision (D.) 02-03-060, the Commission acknowledged that the draft Resolution should have been available for comment, but that the error was harmless because the increase was subject to refund and City would have ample opportunity for comment on the issues during the formal phase of the proceeding.

While the City's application for rehearing was pending, PAWW filed another request for a rate increase on January 14, 2002. The Commission subsequently granted PAWW the second rate increase of \$70,137 or 56.9% in

Res. W-4356 on October 24, 2002. Also pursuant to Res. W-4356, the Commission directed that both rate increases be subject to refund and that the rate increase requests be processed as formal applications.

In processing the rate increase requests, the Commission's staff has developed an extensive record with a lengthy and detailed audit report as well as a staff report. The staff has also conducted two public meetings on the rate increase requests. The City has presented its objections to the rate increases in letters to the Commission and informal contacts with staff.

Prehearing Conference Statements

Typically, the first step in the formal hearing process is to hold a prehearing conference (PHC) to establish a procedural schedule. Prior to establishing a schedule in this proceeding, however, several issues must be addressed:

1. Is any additional discovery needed? If so, on what topics and what is the timeframe for preparing and responding to the requests?
2. What existing documents should be included in the formal record?
3. Is pre-filed, written testimony needed? If so, what topics shall be covered and how many witnesses are anticipated?
4. Will cross-examination be necessary?
5. Is a public participation hearing needed? If so, when and where?
6. Do the parties anticipate extensive legal briefs?
7. Which issues can be resolved with factual and legal stipulations?

8. Can the parties create a mutually agreed upon issues list?
9. Is there any other preliminary matter that might expedite the hearing process?

The results of these and other issues will have a substantial impact on the procedural schedule for this proceeding. Therefore, the parties are directed to meet and confer regarding these and any other preliminary issues. The parties should complete their meeting no later than Friday, February 28, 2003.

No later than Wednesday, March 5, 2003, the parties shall file and serve, including an electronic mail courtesy copy, their respective prehearing conference statements addressing the issues listed above and setting out a proposed schedule for the proceeding. The prehearing conference statements should specify which issues have been resolved in a mutually agreeable manner.

Prehearing Conference

A prehearing conference is scheduled for:

Thursday, March 6, 2003
10:00 a.m.
Commission's Hearing Rooms
State Office Building
505 Van Ness Avenue
San Francisco, California

Therefore, **IT IS RULED** that a prehearing conference will be held at the date and time set out above and the parties shall file and serve prehearing conference statements as described no later than March 5, 2003.

Dated February 14, 2003, at San Francisco, California.

/s/ MARIBETH A. BUSHEY

Maribeth A. Bushey

A.02-11-057 MAB/sid

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated February 14, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.